

Health Benefits Fund
For the period ended September 30, 2002
(amounts expressed in thousands)

	FY2002	FY2003			
	Preliminary CAFR	Adopted Budget	YTD	Controller's Projection	F & A Projection
Operating Revenues					
City Medical Plans	\$ 128,265	\$ 145,419	\$ 36,303	\$ 145,419	\$ 145,419
City Dental Plans	6,837	7,551	1,820	7,551	7,551
City Life Insurance Plans	5,596	5,682	1,429	5,682	5,682
Dependent Care Reimbursement	144	150	38	150	150
Total Operating Revenues	<u>140,842</u>	<u>158,802</u>	<u>39,590</u>	<u>158,802</u>	<u>158,802</u>
Operating Expenses					
City Medical Plan Claims	128,262	142,722	34,523	142,722	142,722
City Dental Plan Claims	6,833	7,551	1,818	7,551	7,551
City Life Insurance Plans	5,596	5,682	1,428	5,682	5,682
Administrative Costs	2,627	3,257	561	3,257	3,257
Dependent Care	144	150	38	150	150
Total Operating Expenses	<u>143,462</u>	<u>159,362</u>	<u>38,368</u>	<u>159,362</u>	<u>159,362</u>
Operating Income (Loss)	(2,620)	(560)	1,222	(560)	(560)
Nonoperating Revenues (Expenses)					
Interest Income	904	510	118	510	510
Prior Year Expense Recovery	1,204	50	172	172	172
Total Nonoperating Rev (Exp)	<u>2,108</u>	<u>560</u>	<u>290</u>	<u>682</u>	<u>682</u>
Net Income (Loss)	(512)	0	1,512	122	122
Retained Earnings, Beginning of Year	<u>1,525</u>	<u>1,000</u>	<u>1,013</u>	<u>1,013</u>	<u>1,013</u>
Retained Earnings, End of Year	<u>\$ 1,013</u>	<u>\$ 1,000</u>	<u>\$ 2,525</u>	<u>\$ 1,135</u>	<u>\$ 1,135</u>

About the Fund:

The Health Benefits Fund is an Internal Service Fund administered by the Human Resources Department. The Fund was established in 1984 to centralize the financial transactions for the City's benefit plans. In May 1994, the entire health benefits delivery system was revamped with a new system that employs aggressive managed care features. HMOBlueTexas (HMOBTX) provides Health Maintenance Organization (HMO) and Point of Service (POS) plan, with limits on annual increases. These plans are supported by contributions from the City and participants. The Fund also includes two dental plans, a dental/health maintenance organization (DHMO) and a dental indemnity plan. Both plans are supported exclusively by participants.